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Governor Michael J. Dunleavy
STATE OF ALASKA

July 5, 2019

RECEIVED
JUL 10 2019
NORTHRIM BANK

Mr. Michael Martin
EVP, COO, General Counsel & Corporate Secretary
Northrim Bank
3111 C Street
P.O. Box 241489
Anchorage, AK 99503

Dear Mr. Martin:

I appreciate the thoughts shared by the bankers in Alaska who are part of your organization. You have made their position crystal clear.

You argue that a 12% reduction, \$668 million overall, in state spending is apparently far too much for the economy to handle. I respectfully disagree. In my judgement, a 12% reduction is realistic, responsible and reasonable. I note that the bankers had no complaints when regular Alaskans were taxed with a couple billion dollars removed from the economy through slashed PFDs in 2016, 2017 and 2018.

The state budget was artificially propped up using \$14 billion in savings. That cannot continue. Expenditures must equal revenue, as I promised when I ran for office. Our budget moves in that direction and we are now halfway to a balanced budget.

I am not sure why the bankers in Alaska are so adamantly opposed to individual Alaskans receiving a statutory PFD. I think it is important to remember that the people of Alaska have the authority and power to initiate or repeal policies that could impact any plans to solve the fiscal issue. Following the law and providing a full statutory PFD will help restore the necessary trust with the people of Alaska. Only then will we have a real opportunity to establish a stable, durable fiscal plan.

Sincerely

A handwritten signature in blue ink, appearing to read "Michael J. Dunleavy".

Michael J. Dunleavy
Governor